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**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
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8-53148

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/18 AND ENDING 12/31/18  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: **Gold Coast Securities, Inc.**

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

**275 E. Hillcrest Drive, Suite 225**

(No. and Street)

**Thousand Oaks**

(City)

**CA**

(State)

**91360**

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Tae P. Ho

(805) 496-3660

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

**Farber Hass Hurley LLP**

(Name - if individual, state last, first, middle name)

**9301 Oakdale Ave., Suite 230, Chatsworth,**

(Address)

(City)

**CA**

(State)

**91311**

(Zip Code)

**CHECK ONE:**



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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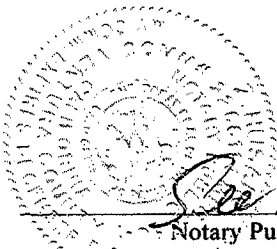
## OATH OR AFFIRMATION

I, Tae P. Ho, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Gold Coast Securities, Inc., as of December 31, 20 18, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



[Signature]  
Signature  
\_\_\_\_\_  
Chief Executive Officer  
\_\_\_\_\_  
Title

[Signature]  
Notary Public

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

# CALIFORNIA JURAT CERTIFICATE

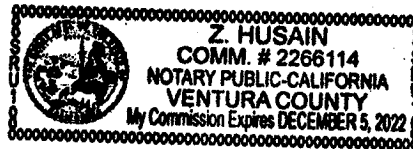
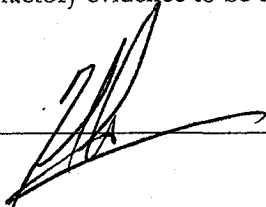
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document

STATE OF CALIFORNIA  
COUNTY OF VENTURA \_\_\_\_\_

Subscribed and sworn to (or affirmed) before me on this 27<sup>th</sup> day of February 2019 by  
DATE MONTH

TAE P HO \_\_\_\_\_ and \_\_\_\_\_  
\_\_\_\_\_, proved to  
me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature of Notary Public



## OPTIONAL

### CAPACITY CLAIMED BY SIGNER

INDIVIDUAL

CORPORATE OFFICER

PARTNER(S)

ATTORNEY IN FACT

TRUSTEE(S)

GUARDIAN/CONSERVATOR

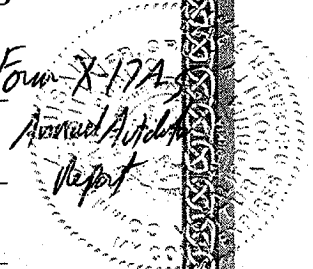
OTHER:

### DESCRIPTION OF ATTACHED DOCUMENTS

Oath/Affirmation for Form X-17A  
TITLE OF DOCUMENT

2  
PAGES

2/27/19  
DATE



GOLD COAST SECURITIES, INC.  
FINANCIAL STATEMENT INDEX  
December 31, 2018

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of  
Gold Coast Securities, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying statement of financial condition of Gold Coast Securities, Inc. as of December 31, 2018, and the related statements of income, changes in shareholders' equity, changes in liabilities subordinated to claims of general creditors, and cash flows for the year then ended, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly in all material respects, the financial position of Gold Coast Securities, Inc. as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.


**Basis for Opinion**

These financial statements are the responsibility of Gold Coast Securities, Inc.'s management. Our responsibility is to express an opinion on Gold Coast Securities, Inc.'s financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to Gold Coast Securities, Inc. in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

**Supplemental Information**

The Schedule I, Computation of Net Capital Under Rule 15c3-1, Schedule II, Computation of Determining Reserve Under Rule 15c3-3, Schedule III, Information for Possession or Control Requirements Under Rule 15c3-3, and Schedule IV, Schedule of Segregation Requirements and Funds have been subjected to audit procedures performed in conjunction with the audit of Gold Coast Securities, Inc.'s financial statements. The supplemental information is the responsibility of Gold Coast Securities, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. §240.17a-5. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Farber Hass Hurley LLP

We have served as Gold Coast Securities, Inc.'s auditor since 2001.  
Chatsworth, California  
February 27, 2019

GOLD COAST SECURITIES, INC.  
STATEMENT OF FINANCIAL CONDITION  
December 31, 2018

ASSETS

Cash and cash equivalents	\$ 45,024
Deposit with clearing organization	25,000
Receivable from broker-dealers and clearing organization	89,119
Other receivables	3,703
Office furniture and equipment, at cost, less accumulated depreciation of \$5,834	4,576
Other assets	<u>28,177</u>
Total assets	<u><u>\$ 195,599</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

Accounts payable and accrued expenses	\$ 51,713
Deferred revenue, net	<u>8,518</u>
Total liabilities	<u>60,231</u>
Commitments and contingent liabilities	
Liabilities subordinated to claims of general creditors	-
Stockholders' equity:	
Common stock, no par value, Series A voting shares, 200 shares authorized, 102 shares issued and outstanding	5,843
Common stock, no par value, Series B non-voting shares, 1,300 shares authorized, 284.66 shares issued and outstanding	67,655
Additional paid-in capital	17,991
Retained earnings	<u>43,879</u>
Total stockholders' equity	<u>135,368</u>
Total liabilities and stockholders' equity	<u><u>\$ 195,599</u></u>

The accompanying notes are an integral part of these financial statements.

GOLD COAST SECURITIES, INC.  
STATEMENT OF INCOME  
For the Year Ended December 31, 2018

Revenues:

Commissions	
Brokerage commissions	\$ 14,593
Distribution fees	206,515
Insurance revenue	620,321
Trailing commissions and fees	292,131
Investment advisory and management fees	485,087
Representative monthly fees	67,725
Reimbursement income	27,772
Miscellaneous income	13,849
Interest and dividend income	481

Total Revenue	<u>1,728,474</u>
---------------	------------------

Expenses:

Commissions	771,912
Investment advisory and management fee expense	406,979
Employee compensation and benefits	262,477
Office expense	100,076
Occupancy	95,779
Communications and data processing	22,433
Legal and professional fees	21,377
Clearing	18,013
Website maintenance and documentation	5,202
Postage and delivery	3,853
Depreciation and amortization	1,309
Bad debt expense	1,175
Other	2,908

Total Expenses	<u>1,713,493</u>
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Income before income tax provision	14,981
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Income tax provision	<u>800</u>
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Net income	<u>\$ 14,181</u>
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The accompanying notes are an integral part of these financial statements.

**GOLD COAST SECURITIES, INC.**  
**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED**  
**TO CLAIMS OF GENERAL CREDITORS**  
**For the Year Ended December 31, 2018**

Subordinated borrowings at beginning of year	\$ -
Increases:	-
Decreases:	<u>-</u>
Subordinated borrowings at end of year	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.



GOLD COAST SECURITIES, INC.  
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY  
For the Year Ended December 31, 2018

	Series A Common Stock		Series B Common Stock		Additional Paid-in Capital	Retained Earnings	Stockholders' Equity
	Shares	Value	Shares	Value			
Balance at December 31, 2017	102	\$5,843	284.66	\$67,655	\$17,991	\$29,698	\$121,187
Net income	-	-	-	-	-	\$14,181	\$14,181
Balance at December 31, 2018	102	\$5,843	284.66	\$67,655	\$17,991	\$43,879	\$135,368

The accompanying notes are an integral part of these financial statements.

GOLD COAST SECURITIES, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2018

	<u>2018</u>
Cash flows from operating activities:	
Net income	\$ 14,181
Adjustments to reconcile net income to net cash provided by (used in) operating activities:	
Bad debt expense	1,175
Depreciation and amortization	1,309
Changes in:	
Receivable from broker-dealers and clearing organization	19,331
Other assets	2,440
Accounts payable and accrued expenses	(21,779)
Deferred revenue, net	<u>(3,619)</u>
Total adjustments	<u>(1,143)</u>
Net cash provided by operating activities	<u>13,038</u>
Cash flows from investment activities:	
Purchase of furniture and equipment	<u>(1,588)</u>
Net cash used in investing activities	(1,588)
Net increase in cash and cash equivalents	<u>11,450</u>
Cash and cash equivalents at beginning of year	<u>33,574</u>
Cash and cash equivalents at end of year	<u><u>\$ 45,024</u></u>
Supplemental cash flow disclosures:	
Income tax payments	<u><u>\$ 800</u></u>
Interest payments	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

GOLD COAST SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**1. Organization and Nature of Business**

Gold Coast Securities, Inc. (a C-corporation) (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is a Delaware corporation, headquartered in California, and began operations in January 2001.

**2. Significant Accounting Policies**

*Basis of Presentation*

The Company is engaged in business as a securities broker-dealer, which comprises several classes of services, including both principal and agency transactions involving retailing corporate equity securities, mutual funds, corporate debt, municipal bonds, and U.S. government securities; selling life insurance and annuities; and providing investment advisory and management services.

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

Cash and cash equivalents include cash on hand and money market accounts. The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

*Property and Equipment*

Property and equipment are stated at cost. Depreciation has been provided using the straight-line method over the useful lives of the assets, which range from three to seven years.

*Revenue Recognition*

Effective January 1, 2018, the Company adopted ASC Topic 606, *Revenue from Contracts with Customers* ("ASC Topic 606"). The new revenue recognition guidance requires that an entity recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance requires an entity to follow a five step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance

GOLD COAST SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**2. Significant Accounting Policies (continued)**

obligation. In determining the transaction price, an entity may include variable considerations only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved. The Company applied the modified retrospective method of adoption which resulted in no adjustment to the Company's equity as of January 1, 2018. The new revenue recognition guidance does not apply to revenue associated with financial instruments, interest income and expenses, leasing and insurance contracts.

Commissions and Distribution Fees

The Company buys and sells securities on behalf of its customers. When a customer enters into such a transaction, the Company charges or receives a commission. Commissions and related clearing expenses are recorded on a trade date basis. The Company believes that the performance obligation is satisfied on the trade date because that is when the underlying pricing is agreed upon, and the risk and rewards of ownership have been transferred to the customer.

Trailing Commissions and Fees

The Company incurs distribution costs and receives trailing commissions and fees for the marketing to and servicing of customers who have purchased mutual funds and insurance products. The trailing commissions and fees revenue are variable in nature and generally based on a percentage of the market value of the customers' investment holdings in trail-eligible assets as of a given date. The Company has determined that the trailing commissions and fees are constrained and are only recognized as revenue at a point in time when the trail becomes known (usually monthly or quarterly), which is determined by the contractual terms with the product provider.

Investment Advisory Revenue

The Company charges or receives a management fee in connection with management and investment advisory services performed for customers in managed accounts. The management fee is a percentage of the customer's investment holdings as of a given date (usually end of quarter or end of month), and the performance obligation related to the transfer of services is satisfied over a period of time (usually quarterly or monthly). The revenue from the investment advisory services are recorded when the performance obligation for the period of time covered by the management fee is earned. The unearned portion is recorded as deferred revenue, net of associated fees and expenses.

GOLD COAST SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**2. Significant Accounting Policies (continued)**

*Income Taxes*

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the basis of depreciation and realization of net operating losses for financial and income tax reporting. The amount of current and deferred taxes payable or refundable is recognized as of the date of the financial statements, utilizing currently enacted tax laws and rates. Deferred tax expenses or benefits are recognized in the financial statements for the changes in deferred tax liabilities or assets between years.

*Fair Value of Financial Instruments*

Carrying values of cash and cash equivalents, accounts receivable and accounts payable approximate fair values due to the short maturities of such instruments.

*Concentration of Credit Risk*

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents and clearing organization accounts receivable. The Company places substantially all of its cash deposits with one high-quality financial institution.

*Advertising Costs*

The Company expenses the cost of advertising in the year incurred. During the year ended December 31, 2018, such advertising expenses (included as part of "other" expenses) was under \$1,000.

*Subsequent Events*

The Company evaluated subsequent events through February 27, 2019, the date the financial statements were available to be issued.

**3. Recently Issued Accounting Standards**

The Financial Accounting Standards Board (the "FASB") has established the Accounting Standards Codification ("Codification" or "ASC") as the authoritative source of generally accepted accounting principles ("GAAP") recognized by the FASB. The principles embodied in the Codification are to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP in the United States. New accounting pronouncements are incorporated into the ASC through the issuance of Accounting Standards Updates ("ASUs").

In February 2016, the FASB issued ASU 2016-02, "Leases," that provides a new accounting guidance related to leases effective January 2019. The Company expects the impact of this ASU to be minimal.

GOLD COAST SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**4. Guarantees**

FASB ASC 460, Guarantees, requires the Company to disclose information about its obligations under certain guarantee arrangements. FASB ASC 460 defines guarantees as contracts and indemnification agreements that contingently require a guarantor to make payments to the guaranteed party based on changes in an underlying factor (such as an interest or foreign exchange rate, security or commodity price, an index or the occurrence or nonoccurrence of a specified event) related to an asset, liability or equity security of a guaranteed party. This guidance also defines guarantees as contracts that contingently require the guarantor to make payments to the guaranteed party based on another entity's failure to perform under an agreement as well as indirect guarantees of indebtedness of others.

The Company has issued no guarantees at December 31, 2018, or during the year then ended.

**5. Cash Segregated Under Federal and Other Regulations**

Cash of \$25,000 has been segregated in a special reserve bank account for the benefit of customers under Rule 15c3-3 of the SEC on agreements for proprietary accounts of introducing brokers.

**6. Receivable From and Payable Clearing Organizations**

Amounts receivable from and payable to clearing organizations were as follows for the year ending December 31, 2018:

<i>December 31, 2018</i>	<u><i>Receivable</i></u>	<u><i>Payable</i></u>
Receivable from product sponsors and clearing organization	\$ 89,119	\$ --
Fees and commissions receivable/payable	<u>3,703</u>	<u>51,713</u>
	<u>\$ 92,822</u>	<u>\$ 51,713</u>

The Company has an agreement to clear substantially all of its proprietary and customer transactions through another broker-dealer (Pershing LLC) on a fully disclosed basis. Pershing LLC is responsible for handling and monitoring all securities lending activities (collateralized financings) related to securities borrowed and securities loaned transactions.

GOLD COAST SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**7. Commitments and Contingencies**

The Company has an operating lease for 1,782 square feet of office space in Thousand Oaks, California. The Company's lease will terminate on November 30, 2019. Current monthly rental payments are approximately \$3,700. In addition, the Company leases 1,802 square feet of office space in Gold River, California. The Company extended the lease for an additional twelve month period to be terminated on November 30, 2019. Current monthly rental payments are approximately \$3,300.

Future minimum lease payments under the operating leases are as follows:

Year ending December 31,:	
2019	\$ 77,051
	<u>\$ 77,051</u>

Lease payments for the year ended December 31, 2018 was \$84,850, which is included in occupancy expense.

**8. Property and Equipment**

Property and equipment consists of the following as of December 31, 2018:

Computer, Phone & Equipment	\$ 10,410
Less: Accumulated Depreciation	<u>(5,834)</u>
Total Property and Equipment	<u>\$ 4,576</u>

Depreciation expense for the year ended December 31, 2018 was \$1,309.

**9. Retirement Plan**

In August 2003, the Company established a 401(k) Profit Sharing Plan administered by Retirement Systems of California, Inc. The 401(k) Profit Sharing plan, as adopted, allows for employee contributions through salary reductions ranging from 0% to 15% of employee salary, capped at \$18,500 in 2018 (plus catch-up provisions).

All employees who are at least 21 years of age and have been employed by the Company for at least six months are eligible to participate. Plan contributions are self-directed. No employer matching contributions were made for the year ending December 31, 2018.

GOLD COAST SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**10. Major Revenue Concentration**

For the year ended December 31, 2018, variable annuity, mutual fund, and management fee revenue were approximately 36%, 29% and 28%, of total revenue, respectively. The Company expects that most of this revenue will be recurring. In addition, approximately 25% of total revenues were generated from two insurance companies, 15% and 10% respectively. Approximately another 13% of total revenues were generated from one mutual fund company.

With respect to clearing organization receivables, such receivables normally arise from fees generated through clearing and execution services performed for the Company's numerous customers. The Company has contractual arrangements with highly-rated broker-dealers, mutual fund companies, and insurance companies as the source of these revenues. As of December 31, 2018, two product providers had balances of approximately 15% and 11% of total receivables. In addition, the Company's clearing firm had a balance of approximately 20% of total receivables.

The Company maintains reserves for potential credit losses, as applicable and such losses, in the aggregate, have not exceeded management's expectations. The Company had a bad debt expense of \$1,175 for 2018.

**11. Income Tax**

The primary timing differences between book and tax expense reporting are depreciation expense and the utilization of the Net Operating Loss (NOL) carryforward. At December 31, 2018, the Company had a state and federal NOL carryforward of approximately \$90,000 and \$35,000, respectively, which will expire by 2035. As of December 31, 2018, there are no assurances the Company will be able to utilize such losses. As such, the Company has recognized a full allowance for any deferred taxes, and has recognized the minimum state franchise tax of \$800, for the year 2018.

The Company recognizes and measures its unrecognized tax benefits in accordance with Financial Accounting Standards Board (FASB) Accountings Standards Codification (ASC) 740, *Income Taxes*. Under that guidance the Company assesses the likelihood, based on their technical merit, that tax positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. The measurement of unrecognized tax benefits is adjusted when new information is available, or when an event occurs that requires a change. The Company does not have any tax positions at the end of the year for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within twelve months of the reporting date.



GOLD COAST SECURITIES, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2018

**11. Income Tax (continued)**

The Company is generally not subject to federal, state, or local tax examinations by taxing authorities for years before 2015. As of December 31, 2018, no taxing authority has proposed any adjustments to the Company's tax position.

**12. Capital Requirements**

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital (i.e., \$50,000) and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2018, the Company's net capital measured \$89,536 and its net capital ratio was 0.67 to 1.

**GOLD COAST SECURITIES, INC.**

**Supplementary Information  
Pursuant to Rule 17a-5 of the  
Securities Exchange Act of 1934**

**As of December 31, 2018**

# Schedule I

## GOLD COAST SECURITIES, INC. Computation of Net Capital Under Rule 15c3-1 of the Securities and Exchange Commission As of December 31, 2018

Net capital		
Total stockholders' equity	\$	135,368
Deduct stockholders' equity not allowable for capital		-
Total stockholders' equity qualified for net capital		135,368
Add:		
Subordinated borrowings allowable in computation of net capital		-
Other (deductions) or allowable credits - deferred income taxes payable		-
Total capital and allowable subordinated borrowings		135,368
Deductions and/or charges:		
Nonallowable assets:		
Office furniture and equipment	4,576	
Other assets - registered representative receivables, net	3,703	
Receivable from broker-dealers, in excess of related payables	9,376	
Other assets - prepaid expenses and deposits	28,177	45,832
Net capital before haircuts on securities positions		89,536
Haircuts on securities positions		-
Net capital per audited financial statements	\$	<u>89,536</u>
Aggregate indebtedness		
Items included in statement of financial condition:		
Accounts payable, accrued expenses, and deferred revenue, net,	\$	60,231
Items not included in statement of financial condition		-
Total aggregate indebtedness (AI)	\$	<u>60,231</u>
Computation of basic net capital requirement		
Minimum net capital required (6-2/3% of AI)	\$	<u>4,015</u>
Minimum dollar net capital requirement	\$	<u>50,000</u>
Minimum net capital required (greater of above):	\$	<u>50,000</u>
Excess net capital over minimum net capital required	\$	<u>39,536</u>
Excess net capital at 1,500 percent (net capital - 6.67% of AI)	\$	<u>85,521</u>
Excess net capital at 1,000 percent (net capital - 10% of AI)	\$	<u>83,513</u>
Ratio: Aggregate indebtedness to net capital		<u>0.67 to 1</u>

There are no material differences between the preceeding computation and the Company's corresponding unaudited part II of Form X-17A-5 as of December 31, 2018

See Report of Independent Registered Public Accounting Firm

## **Schedule II**

**GOLD COAST SECURITIES, INC.**

**Computation for Determination of Reserve Requirements**

**Under Rule 15c3-3 of the Securities and Exchange Commission**

**As of December 31, 2018**

**Gold Coast Securities, Inc. is exempt from the reserve requirement, as it operates pursuant to SEC Rule 15c3-3(k)(2)(ii) (the Customer Protection Rule), clearing all transactions on a fully disclosed basis through its clearing firm. Gold Coast Securities, Inc. does not hold customer funds or safekeep customer securities.**

**See Report of Independent Registered Public Accounting Firm**

### **Schedule III**

#### **GOLD COAST SECURITIES, INC.**

Information Relating to Possession or Control Requirements  
Under Rule 15c3-3 of the Securities and Exchange Commission  
As of December 31, 2018

**Gold Coast Securities, Inc. is exempt from the possession or control requirements, as it operates pursuant to SEC Rule 15c3-3(k)(2)(ii) (the Customer Protection Rule), clearing all transactions on a fully disclosed basis through its clearing firm. Gold Coast Securities, Inc. does not hold customer funds or safekeep customer securities.**

See Report of Independent Registered Public Accounting Firm

**Schedule IV**

**GOLD COAST SECURITIES, INC.  
Schedule of Segregation Requirements and Funds  
In Segregation for Customers' Regulated  
Commodity Futures and Options Accounts  
As of December 31, 2018**

**Not applicable**

**See Report of Independent Registered Public Accounting Firm**

# GOLD COAST SECURITIES

Member FINRA & SIPC

## **Assertions Regarding Exemption Provisions**

We, as members of management of Gold Coast Securities, Inc. ("the Company"), are responsible for compliance with the annual reporting requirements under Rule 17a-5 of the Securities Exchange Act of 1934. Those requirements compel a broker or dealer to file annual reports with the Securities Exchange Commission (SEC) and the broker or dealer's designated examining authority (DEA). One of the reports to be included in the annual filing is an exemption report prepared by an independent public accountant based upon a review of assertions provided by the broker or dealer. Pursuant to that requirement, the management of the Company hereby makes the following assertions:

### **Identified Exemption Provision**

The Company claims exemption from the custody and reserve provisions of Rule 15c3-3 by operating under the exemption provided by Rule 15c3-3, Paragraph (k)(2)(ii).

### **Statement Regarding Meeting Exemption Provision**

The Company met the identified exemption provision without exception throughout the period January 1, 2018 through December 31, 2018.



Tae P. Ho  
Chief Executive Officer  
Gold Coast Securities, Inc.

01/11/2019

Date

275 E. Hillcrest Drive, Suite 225, Thousand Oaks, CA 91360  
Tel. 805-496-3660 888-474-4610 Fax 805-496-3880

[www.gcsec.com](http://www.gcsec.com)



# Farber Hass Hurley LLP

Certified Public Accountants

9301 Oakdale Avenue, Suite 230  
Chatsworth, CA 91311  
www.fhhcpas.com

Telephone: (818) 895-1943  
Facsimile: (818) 727-7700

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of  
Gold Coast Securities, Inc.

We have reviewed management's statements, included in the accompanying Assertions Regarding Exemption Provisions, in which (1) Gold Coast Securities, Inc. identified the following provisions of 17 C.F.R. §15c3-3(k) under which Gold Coast Securities, Inc. claimed an exemption from 17 C.F.R. §240.15c3-3: k(2)(ii) (the "exemption provision") and (2) Gold Coast Securities, Inc. stated that Gold Coast Securities, Inc. met the identified exemption provision throughout the most recent fiscal year without exception. Gold Coast Securities, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about Gold Coast Securities, Inc.'s compliance with the exemption provision. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Farber Hass Hurley LLP

Chatsworth, California

February 27, 2019





## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED-UPON PROCEDURES

Board of Directors of Gold Coast Securities, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934 and with the SIPC Series 600 Rules, we have performed the procedures enumerated below, which were agreed to by Gold Coast Securities, Inc. and the Securities Investor Protection Corporation (SIPC) with respect to the accompanying General Assessment Reconciliation (Form SIPC-7) of Gold Coast Securities, Inc. for the year ended December 31, 2018, solely to assist you and SIPC in evaluating Gold Coast Securities, Inc.'s compliance with the applicable instructions of the General Assessment Reconciliation (Form SIPC-7). Gold Coast Securities, Inc.'s management is responsible for Gold Coast Securities, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the Public Company Accounting Oversight Board (United States) and in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries, noting no differences;
- 2) Compared the Total Revenue amount reported on the Annual Audited Report Form X-17A-5 Part III for the year ended December 31, 2018 with the Total Revenue amount reported in Form SIPC-7 for the year ended December 31, 2018, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences;
- 4) Recalculated the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences; and
- 5) Compared the amount of any overpayment applied to the current assessment with the Form SIPC-7 on which it was originally computed, noting no differences.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance with the applicable instructions of the Form SIPC-7. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

Farber Hass Hurley LLP

Chatsworth, California  
February 27, 2019

**SIPC-7**

(36-REV 12/18)

**SECURITIES INVESTOR PROTECTION CORPORATION**  
P.O. Box 92185 Washington, D.C. 20090-2185  
202-371-8300

**General Assessment Reconciliation****2018**

For the fiscal year ended \_\_\_\_\_  
(Read carefully the instructions in your Working Copy before completing this Form)

**TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS**

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

**53148 FINRA DEC**  
**GOLD COAST SECURITIES, INC.**  
**275 E. HILLCREST DR., STE 225**  
**THOUSAND OAKS, CA 91360-8241**

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

**TAE P. HO, (805) 496-3660**

**WORKING COPY**

2. A. General Assessment (item 2e from page 2) \$ 731
- B. Less payment made with SIPC-6 filed (exclude interest) ( 382 )  
07/24/2018  
Date Paid
- C. Less prior overpayment applied ( \_\_\_\_\_ )
- D. Assessment balance due or (overpayment) 349
- E. Interest computed on late payment (see instruction E) for \_\_\_\_\_ days at 20% per annum
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 349
- G. PAYMENT: ☒ the box  
Check mailed to P.O. Box ☒ Funds Wired ☐ ACH ☐ \$ 349  
Total (must be same as F above)
- H. Overpayment carried forward \$( \_\_\_\_\_ )

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

**GOLD COAST SECURITIES, INC.**

(Name of Corporation, Partnership or other organization)

**PRESIDENT**

(Authorized Signature)

(Title)

Dated the 27th day of February, 20 19.

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

**SIPC REVIEWER**

Dates: Postmarked Received Reviewed

Calculations \_\_\_\_\_ Documentation \_\_\_\_\_

Forward Copy \_\_\_\_\_

Exceptions:

Disposition of exceptions:

**DETERMINATION OF "SIPC NET OPERATING REVENUES"  
AND GENERAL ASSESSMENT**

Amounts for the fiscal period  
beginning 01/01/2018  
and ending 12/31/2018

Eliminate cents

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

\$ 1,728,474

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust, from the sale of variable annuities, from the business of insurance, from investment advisory services rendered to registered investment companies or insurance company separate accounts, and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.  
(See Instruction C):

**FEEs FROM REPRESENTATIVES**

(Deductions in excess of \$100,000 require documentation)

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4) above) but not in excess of total interest and dividend income.

\$ \_\_\_\_\_

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$ \_\_\_\_\_

Enter the greater of line (i) or (ii)

Total deductions

2d. SIPC Net Operating Revenues

2e. General Assessment @ .0015

1,123,956

17,526

99,743

1,241,225

\$ 487,249

\$ 731

(to page 1, line 2.A.)